

[illegible]

•

•

•

.

:

•

•

• •

:

$$\vdots$$

•

•

•

•

•

1

1

•

•

•

• •

• •

:

:

•

•

•

■

1

•

•

•

•

11

•

:

:

-----X

**COUNT ONE**

(CONSPIRACY TO COMMIT BANK FRAUD, WIRE FRAUD AND MAIL FRAUD)

The Grand Jury charges:

**BACKGROUND**

1. At all times relevant to this Indictment, AGA Capital NY, Inc. ("AGA Capital"), was a mortgage brokerage firm with various office locations in Brooklyn, New York. In or about late 2006, AGA Capital changed its name to Lending Universe Corporation ("Lending Universe").

2. At various times relevant to this Indictment, ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," GALINA ZHIGUN, MARYANN FURMAN, a/k/a "Marina," IGOR MISHELEVICH, ALEX GORVITS, a/k/a "Lyosha," LUCIANNE MORELLO, and MARIYA BADYUK, a/k/a "Masha," the defendants, and others were employed by AGA Capital and Lending Universe. GORVITS and MISHELEVICH, the defendants, previously worked at Northside Capital NY, Inc. d/b/a Northside Capital Corporation ("Northside Capital"), another mortgage brokerage firm in Brooklyn, New York, with defendants JOSEPH PAPERNY and IGOR BUZAKHER, a/k/a "Jeff," and others.

3. During the time relevant to this Indictment, Northside Capital, AGA Capital, and its successor, Lending Universe, brokered over one thousand home mortgages and home

equity loans, commonly referred to as sub-prime loans, with various banks and lending institutions with branch offices located in Tarrytown and White Plains, New York, among other places ("the lenders"), with a total face value of at least two hundred million dollars. Northside Capital, AGA Capital and Lending Universe earned a total of at least four million dollars in commission fees on these loans. As described more fully below, the lenders that issued the mortgages and loans brokered by Northside Capital, AGA Capital and Lending Universe have suffered actual losses of at least 4.5 million dollars as a result of the defendants' scheme to defraud.

#### THE SCHEME TO DEFRAUD

4. As set forth more fully below, from in or about 2004 through in or about June 2007, ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," GALINA ZHIGUN, GARRI ZHIGUN, ALEXANDER KAPLAN, MARYANN FURMAN, a/k/a "Marina," IGOR MISHELEVICH, a/k/a "Ryzhiy," ALEX GORVITS, a/k/a "Lyosha," MARINA DUBIN, IGOR BUZAKHER, a/k/a "Jeff," JOSEPH PAPERNY, DANIEL MIKHLIN, a/k/a "Danik," JOHN GELIN, a/k/a "Buddha," FRANSWA LIGON, FUAD YAKUBOV, RICARDO ACOSTA, ERIC CALLAHAN, DOUGLAS ELLISON, OLEG ANOKHIN, DAVID NEUSTEIN, TOMER SINAI, a/k/a "Tom," NATHANIEL KESSMAN, CARL CARR, JOHN CIAFOLO, LUCIANNE MORELLO, FAINA PETROVSKAYA, MARIYA BADYUK, a/k/a "Masha," and MARINA KLOTSMAN, the defendants, engaged in an illegal scheme to defraud

various lenders by submitting applications and supporting documentation for mortgages and home equity loans with false or misleading information, in order to induce those lenders to make loans to persons and at terms that the lenders otherwise would not have funded.

5. As part of the scheme to defraud, the defendants identified properties for sale in all five boroughs of New York City, New Jersey and Sullivan County, New York, among other places (the "target properties"). Some of the target properties were already in foreclosure proceedings; as is described more fully below, other target properties were already controlled by certain of the defendants; and still other target properties were owned by other individuals. The defendants typically purchased the target properties with one or more mortgages and/or home equity loans amounting to 100 percent of the purchase price of the property, thus ensuring that the defendants did not have any money at risk in the fraudulent transactions.

6. As a further part of the scheme to defraud, the defendants sought to obtain mortgages and/or home equity loans to purchase the target properties without having to identify their ownership interest in the properties. To that end, the defendants recruited individuals to act as purchasers of the target properties, when, in fact, these purchasers, or "straw buyers," relinquished their interest in and control over the

target properties to the defendants upon completion of the closing of the mortgage or loan.

7. The defendants identified persons to be straw buyers who fit a certain financial profile that would enable them to obtain credit from the lenders at favorable terms. Specifically, the defendants sought persons with a particular threshold credit rating, as measured by commercial credit rating agencies, to be straw buyers. Once a potential straw buyer had been identified and agreed to participate in the scheme in exchange for a fee, the defendants then submitted loan applications to the lenders on behalf of the straw buyers.

8. As a further part of the scheme to defraud, the defendants fraudulently improved the straw buyer's credit worthiness by falsifying certain personal and financial information about the straw buyer that was material to the lenders in their lending decisions. The defendants prepared and submitted to various lenders, by facsimile, email and other means, loan applications and other documentation purporting to accurately represent the personal and financial information of each straw buyer. In fact, the defendants prepared and submitted false and misleading information concerning the straw buyer's current residence, employment, income, assets, and existing debt, among other things. In support of these false and misleading representations, the defendants also created false documentation,

such as bank statements and proof of income, that the lenders relied upon to verify the statements in the loan applications.

9. In addition to false statements concerning the straw buyer's financial profile, the defendants falsely represented to the lenders that certain straw buyers intended to reside in the property that would secure each mortgage or loan, when, in fact, the defendants intended to use the property for their own investment purposes.

10. As a further part of the scheme to defraud, in some instances, the defendants did not use paid straw buyers but rather stole the identities of persons who fit a certain financial profile and submitted loan applications on behalf of these persons without their knowledge.

11. As a further part of the scheme to defraud, the defendants sought mortgages and home equity loans for the target properties at values that were in excess of the properties' actual sale prices and, thus, the properties' fair market values. To support applications for loans in excess of the properties' market values, the defendants procured artificially inflated appraisals of the market value of the target properties. Using these false and misleading appraisals, the defendants received mortgages and other loans in excess of the actual sale price of the properties securing the loans. The difference between the appraised value of the property and the property's actual sale

price (the "spread") represented, in part, the defendants' profits from the scheme. The defendants distributed the spread from each fraudulently obtained mortgage loan amongst themselves for their personal gain. The defendants also earned commissions of at least 2 percent and as much as 4 percent on the fraudulently inflated loan values, in addition to fees and other monies distributed upon the closing of each property.

12. As a further part of the scheme to defraud, once the purchase of the target properties had been funded, the defendants caused the straw buyers of certain of the target properties to default on their mortgage payments. As a result, the lenders were forced either to foreclose on those properties, or to re-purchase the properties from the straw buyers for less than the face amount of the loan. With respect to certain other target properties, the defendants rented them to tenants and used the rent and other monies earned from the scheme to make mortgage payments on behalf of the straw buyers for a certain period of time. At the end of that period of time, the defendants would sell the properties, sometimes selling them again to straw buyers and extracting additional monies from the lenders with these re-sales, or flips, of the properties.

#### **THE DEFENDANTS**

13. At all times relevant to this Indictment, GALINA ZHIGUN, the defendant, was the owner and registered broker of AGA

Capital, and MARYANN FURMAN, a/k/a "Marina," the defendant, served as the office manager of AGA Capital. GALINA ZHIGUN had hiring and firing responsibility, general oversight of the operations of AGA Capital, and earned a salary based, at least in part, on the commissions earned by AGA Capital's mortgage brokers. FURMAN acted as GALINA ZHIGUN's office manager, processed loans for certain mortgage brokers, and supervised certain other loan processors' preparation of loans application documents for various lenders.

14. At all times relevant to this Indictment, ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," IGOR MISHELEVICH, a/k/a "Ryzhiy," ALEX GORVITS, a/k/a "Lyosha," IGOR BUZAKHER, a/k/a "Jeff," DANIEL MIKHLIN, a/k/a "Danik," and JOSEPH PAPERNY, the defendants, acted as mortgage brokers (the "defendant mortgage brokers"). They supervised and coordinated the submission of fraudulent loan applications and other documents to the lenders, and brokered the resulting loans.

15. At various times relevant to this Indictment, GARRI ZHIGUN, the defendant, operated out of AGA Capital and served as the silent partner to ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," the defendant, in various real estate transactions.

16. At all times relevant to this Indictment, ALEXANDER KAPLAN, the defendant, was an attorney who served as a

closing attorney in the purchase and sale of real estate funded by loans that were fraudulently obtained by the defendants. KAPLAN prepared or caused to be prepared various documents in support of a closing, submitted or caused to be submitted documents to lenders before and during a closing, participated in the closings of loans and disbursed the fraudulently obtained loan proceeds to various defendants.

17. At all times relevant to this Indictment, MARINA DUBIN, the defendant, was a real estate paralegal who served as the settlement agent for a majority of the loans that were fraudulently obtained by the defendants. DUBIN organized closings, prepared documents and disbursed the fraudulently obtained loan proceeds to various defendants.

18. At all times relevant to this Indictment, JOHN GELIN, a/k/a "Buddha," FRANSWA LIGON, FUAD YAKUBOV, RICARDO ACOSTA, ERIC CALLAHAN, and OLEG ANOKHIN, the defendants, served as intermediaries between the defendant mortgage brokers and the straw buyers. GELIN, LIGON, YAKUBOV, ACOSTA, CALLAHAN, and ANOKHIN, among other acts, identified target properties, identified and recruited straw buyers, and falsified certain information provided to the lenders, in order to obtain mortgage or home equity loans.

19. At all times relevant to this Indictment, DAVID NEUSTEIN and TOMER SINAI, a/k/a "Tom," the defendants, acted as

real estate appraisers and provided the defendant mortgage brokers, including LIPKIN, MISHELEVICH, GORVITS, BUZAKHER, and PAPERNY, among others, with falsely inflated appraisal values and descriptions of target properties.

20. At all times relevant to this Indictment, NATHANIEL KESSMAN, CARL CARR, and JOHN CIAFOLO were employed by certain lenders and knowingly facilitated the scheme to defraud by assisting the defendant mortgage brokers, including LIPKIN, MISHELEVICH, GORVITS, BUZAKHER, and PAPERNY, among others, in obtaining approval from their employers for loan applications containing false and misleading representations.

21. At all times relevant to this Indictment, LUCIANNE MORELLO, FAINA PETROVSKAYA, and MARIYA BADYUK, the defendants, were loan processors who knowingly assisted the defendant mortgage brokers in preparing documents containing false and misleading information for submission to lenders.

22. At all times relevant to this Indictment, MARIYA BADYUK, a/k/a "Masha," and MARINA KLOTSMAN, the defendants, acted as straw buyers and knowingly participated in the purchase of various properties with the proceeds of fraudulently obtained loans.

#### **THE CONSPIRACY**

23. From at least in or about 2004, up to and including in or about January 2007, in the Southern District of

New York and elsewhere, ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," GALINA ZHIGUN, GARRI ZHIGUN, ALEXANDER KAPLAN, MARYANN FURMAN, a/k/a "Marina," IGOR MISHELEVICH, a/k/a "Ryzhiy," ALEX GORVITS, a/k/a "Lyosha," MARINA DUBIN, IGOR BUZAKHER, a/k/a "Jeff," JOSEPH PAPERNY, DANIEL MIKHLIN, a/k/a "Danik," JOHN GELIN, a/k/a "Buddha," FRANSWA LIGON, FUAD YAKUBOV, RICARDO ACOSTA, ERIC CALLAHAN, DOUGLAS ELLISON, OLEG ANOKHIN, DAVID NEUSTEIN, TOMER SINAI, a/k/a "Tom," NATHANIEL KESSMAN, CARL CARR, JOHN CIAFOLO, LUCIANNE MORELLO, FAINA PETROVSKAYA, MARIYA BADYUK, a/k/a "Masha," and MARINA KLOTSMAN, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to violate Sections 1341, 1343 and 1344 of Title 18, United States Code.

24. It was a part and an object of the conspiracy that ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," GALINA ZHIGUN, GARRI ZHIGUN, ALEXANDER KAPLAN, MARYANN FURMAN, a/k/a "Marina," IGOR MISHELEVICH, a/k/a "Ryzhiy," ALEX GORVITS, a/k/a "Lyosha," MARINA DUBIN, IGOR BUZAKHER, a/k/a "Jeff," JOSEPH PAPERNY, DANIEL MIKHLIN, a/k/a "Danik," JOHN GELIN, a/k/a "Buddha," FRANSWA LIGON, FUAD YAKUBOV, RICARDO ACOSTA, ERIC CALLAHAN, DOUGLAS ELLISON, OLEG ANOKHIN, DAVID NEUSTEIN, TOMER SINAI, a/k/a "Tom," NATHANIEL KESSMAN, CARL CARR, JOHN CIAFOLO,

LUCIANNE MORELLO, FAINA PETROVSKAYA, MARIYA BADYUK, a/k/a "Masha," and MARINA KLOTSMAN, the defendants, and others known and unknown, unlawfully, willfully, and knowingly would and did execute a scheme and artifice to defraud financial institutions, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institutions, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

25. It was further a part and an object of the conspiracy that ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," GALINA ZHIGUN, GARRI ZHIGUN, ALEXANDER KAPLAN, MARYANN FURMAN, a/k/a "Marina," IGOR MISHELEVICH, a/k/a "Ryzhiy," ALEX GORVITS, a/k/a "Lyosha," MARINA DUBIN, IGOR BUZAKHER, a/k/a "Jeff," JOSEPH PAPERNY, DANIEL MIKHLIN, a/k/a "Danik," JOHN GELIN, a/k/a "Buddha," FRANSWA LIGON, FUAD YAKUBOV, RICARDO ACOSTA, ERIC CALLAHAN, DOUGLAS ELLISON, OLEG ANOKHIN, DAVID NEUSTEIN, TOMER SINAI, a/k/a "Tom," NATHANIEL KESSMAN, CARL CARR, JOHN CIAFOLO, LUCIANNE MORELLO, FAINA PETROVSKAYA, MARIYA BADYUK, a/k/a "Masha," and MARINA KLOTSMAN, the defendants, and others known and unknown, unlawfully, willfully and knowingly would and did devise a scheme and artifice to defraud financial institutions, and to obtain money and property from financial

institutions, banks, and others, by means of false and fraudulent pretenses representations and promises, and for the purpose of executing such schemes and attempting to do so, would and did transmit and cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

26. It was further a part and an object of the conspiracy that ALEKSANDER LIPKIN, a/k/a "Alex," a/k/a "Shorty," a/k/a "Melekiy," GALINA ZHIGUN, GARRI ZHIGUN, ALEXANDER KAPLAN, MARYANN FURMAN, a/k/a "Marina," IGOR MISHELEVICH, a/k/a "Ryzhiy," ALEX GORVITS, a/k/a "Lyosha," MARINA DUBIN, IGOR BUZAKHER, a/k/a "Jeff," JOSEPH PAPERNY, DANIEL MIKHLIN, a/k/a "Danik," JOHN GELIN, a/k/a "Buddha," FRANSWA LIGON, FUAD YAKUBOV, RICARDO ACOSTA, ERIC CALLAHAN, DOUGLAS ELLISON, OLEG ANOKHIN, DAVID NEUSTEIN, TOMER SINAI, a/k/a "Tom," NATHANIEL KESSMAN, CARL CARR, JOHN CIAFOLO, LUCIANNE MORELLO, FAINA PETROVSKAYA, MARIYA BADYUK, a/k/a "Masha," and MARINA KLOTSMAN, the defendants, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice and attempting so to do, unlawfully, willfully and knowingly would and did place in a post office and